

Proprietary and Confidential  
Final

CORAM

Operating Budget 2000 - Consolidated

		<i>Net Revenue</i>	<i>Infusion</i>	<i>CII</i>	<i>CPS</i>	<i>Rnet</i>	\$0
<i>Drugs &amp; Supplies</i>	4,344,270	\$441,700		20,100			193,500
<i>Clinical Services</i>		173,400		-			137,900
<i>Clinical Services - D&amp;A</i>		137,900		-			5,200
<i>Cost of Sales</i>		5,200		-			336,600
<i>Gross Profit</i>	2,747	316,500		20,100			133,100
							28.3%
<i>Direct Operating Expenses</i>		125,200	4,500	3,400			62,000
<i>Direct Operating Expenses - D&amp;A</i>		28.3%	100.0%	14.5%			2,100
<i>Corporate Allocation - D&amp;A</i>		57,500	2,000	2,500			14,000
<i>Corporate Allocation</i>		2,000	-	-			33,700
<i>MIP Incentive Plan - @ 85% MBO</i>		13,200	200	100			6,800
<i>Operating Expenses</i>		31,700	300	1,700			118,600
<i>Operating Expenses</i>		6,400	100	300			
<i>Operating Income (Loss), Before Interest (5,550)</i>		110,800	2,600	5,200			
<i>Operating Income (Loss), Before Interest (5,550)</i>		14,400	1,900	(1,800)			
<i>Interest Expense</i>		22,400	300	1,000			
<i>Discontinued Operations - Operating Loss</i>		-	-	(25,000)			
<i>Other (Income) Expense</i>		-	-	-			
<i>Income (Loss) Before MI &amp; Income Taxes</i>		(8,000)	1,600	22,200	(500)		15,300
<i>Minority Interest</i>		300	-	-			300
<i>Income Taxes</i>		500	-	-			500
<i>Net Income (Loss)</i>		(\$8,800)	\$1,600	\$22,200	(\$500)		\$14,500
<i>EBITDA, with out sale of CPS</i>		\$34,500					\$35,000
<i>EBITDA</i>		\$34,500					\$60,000

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# C O R A M

Operating Budget 2000 - Cash Flow

		<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
<b>Consolidated</b>	\$130,600	\$112,600	\$105,000	\$111,600	
<b>Cash Receipts</b>					
<i>Drugs &amp; Supplies / Payroll / Other</i>					
<i>Operating Expenses</i>					
<i>Cash From Operations</i>					
<b>Capital Expenditures</b>					
<b>Restructure Charges, from 1999</b>					
<b>Tax Payments</b>					
<i>Interest Income</i>					
<i>Sale of CPS</i>					
<b>Net Cash Before Debt Activity</b>					
<i>Interest Payments</i>					
<i>Payments on Credit Facility, net</i>					
<i>Pay Down of Series B</i>					
<b>Quarterly Cash Flow</b>					
<b>Beginning Cash Balance</b>	11,900	11,900	8,300	6,500	1,000
<b>Ending Cash Balance</b>	9,300	8,300	6,500	8,300	8,300

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# C O R A M

Operating Budget 2000 - Q1

	<i>Consolidated</i>	<i>Infusion</i>	<i>CTI</i>	<i>CPS</i>	<i>Net</i>
<i>Net Revenue</i>	\$136,100	\$112,200	\$400	\$23,500	\$0
<i>Drugs &amp; Supplies</i>	63,100	43,000	-	20,100	-
<i>Clinical Services</i>	38,000	38,000	-	-	-
<i>Clinical Services - D&amp;A</i>	1,300	1,300	-	-	-
<i>Cost of Sales</i>	<u>102,400</u>	<u>82,300</u>	<u>-</u>	<u>20,100</u>	<u>-</u>
<i>Gross Profit</i>	33,700	29,900	400	3,400	14.5%
	24.8%	26.6%	100.0%		
<i>Direct Operating Expenses</i>	17,600	14,700	400	2,500	-
<i>Direct Operating Expenses - D&amp;A</i>	600	500	-	100	-
<i>Corporate Allocation - D&amp;A</i>	3,900	3,300	-	600	-
<i>Corporate Allocation</i>	9,700	7,900	100	1,700	-
<i>MIP Incentive Plan - @ 85% MBO</i>	1,900	1,600	0	300	-
<i>Operating Expenses</i>	<u>33,700</u>	<u>28,000</u>	<u>500</u>	<u>5,200</u>	<u>-</u>
<i>Operating Income (Loss), Before Interest</i>	(0)	1,900	(100)	(1,800)	-
<i>Interest Expense</i>	5,900	4,900	-	1,000	-
<i>Discontinued Operations - Operating Loss</i>	400	-	-	-	400
<i>Other (Income) Expense</i>	-	-	-	-	-
<i>Income (Loss) Before MI &amp; Income Taxes</i>	(6,300)	(3,000)	(100)	(2,800)	(400)
<i>Minority Interest</i>	100	-100	-	-	-
<i>Income Taxes</i>	100	100	-	-	-
<i>Net Income (Loss)</i>	<u>(\$6,500)</u>	<u>(\$3,200)</u>	<u>(\$100)</u>	<u>(\$2,800)</u>	<u>(\$400)</u>
<i>EBITDA, with out sale of CPS</i>	<u>\$5,300</u>	<u>\$6,900</u>	<u>(\$100)</u>	<u>(\$1,100)</u>	<u>(\$400)</u>
<i>EBITDA</i>	<u>\$5,300</u>	<u>\$6,900</u>	<u>(\$100)</u>	<u>(\$1,100)</u>	<u>(\$400)</u>

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## C O R A M

Operating Budget 2000 - Q2

	Consolidated	Infusion	CPI	EPS	Net
			\$1,000	\$0	\$0
<i>Net Revenue</i>	\$106,700				
Drugs & Supplies	38,900	38,900	-	-	-
Clinical Services	36,500	36,500	-	-	-
Clinical Services - D&A	1,300	1,300	-	-	-
<i>Cost of Sales</i>	<u>76,700</u>	<u>76,700</u>			
<i>Gross Profit</i>	30,000	29,000	1,000		
		28.1%	100.0%		
Direct Operating Expenses	14,800	14,300	500		
Direct Operating Expenses - D&A	500	500	-		
Corporate Allocation - D&A	3,300	3,300	-		
Corporate Allocation	8,000	7,900	100		
MIP Incentive Plan - @ 85% MBO	1,600	1,600	0		
Operating Expenses	<u>28,200</u>	<u>27,600</u>	<u>600</u>		
<i>Operating Income (Loss), Before Interest</i>	1,800	1,400	400		
<i>Interest Expense</i>	5,900	5,800	100		
Discontinued Operations - Operating Loss	100	-	-		
Other (Income) Expense	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>		
<i>Income (Loss) Before MI &amp; Income Taxes</i>	20,800	(4,400)	300		
Minority Interest	100	100	-		
Income Taxes	100	100	-		
<i>Net Income (Loss)</i>	<u>\$20,600</u>	<u>(\$4,600)</u>	<u>\$300</u>	<u>\$25,000</u>	<u>(\$100)</u>
EBITDA, with out sale of CPS	<u>\$6,700</u>	<u>\$6,400</u>	<u>\$400</u>	<u>\$0</u>	<u>(\$100)</u>
EBITDA	<u>\$31,700</u>	<u>\$6,400</u>	<u>\$400</u>	<u>\$25,000</u>	<u>(\$100)</u>

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# C O R A M

Operating Budget 2000 - Q3

	Consolidated	Infusion	CII	Rnet
		\$109,800	\$1,400	\$0
<i>Net Revenue</i>				
Drugs & Supplies	39,800	39,800	-	-
Clinical Services	36,800	36,800	-	-
Clinical Services - D&A	1,300	1,300	-	-
<i>Cost of Sales</i>	<u>77,900</u>	<u>77,900</u>	<u>-</u>	<u>-</u>
<i>Gross Profit</i>	33,300	31,900	1,400	\$0
	29.9%	29.1%	100.0%	
<i>Direct Operating Expenses</i>	14,800	14,200	600	
<i>Direct Operating Expenses - D&amp;A</i>	500	500	-	
<i>Corporate Allocation - D&amp;A</i>	3,300	3,300	-	
<i>Corporate Allocation</i>	8,000	7,900	100	
<i>MIP Incentive Plan - @ 85% MBO</i>	1,600	1,600	0	
<i>Operating Expenses</i>	<u>28,200</u>	<u>27,500</u>	<u>700</u>	<u>-</u>
<i>Operating Income (Loss), Before Interest</i>	5,100	4,400	700	
<i>Interest Expense</i>	5,900	5,800	100	
<i>Discontinued Operations - Operating Loss</i>	-	-	-	
<i>Other (Income) Expense</i>				
<i>Income (Loss) Before MI &amp; Income Taxes</i>	(800)	(1,400)	600	
<i>Minority Interest</i>	100	100	-	
<i>Income Taxes</i>	100	100	-	
<i>Net Income (Loss)</i>	<u>(\$1,000)</u>	<u>(\$1,600)</u>	<u>\$600</u>	<u>\$0</u>
<i>EBITDA, with out sale of CPS</i>	<u>\$10,100</u>	<u>\$700</u>	<u>\$0</u>	<u>\$0</u>
<i>EBITDA</i>	<u>\$10,100</u>	<u>\$700</u>	<u>\$0</u>	<u>\$0</u>

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Proprietary and Confidential  
Final

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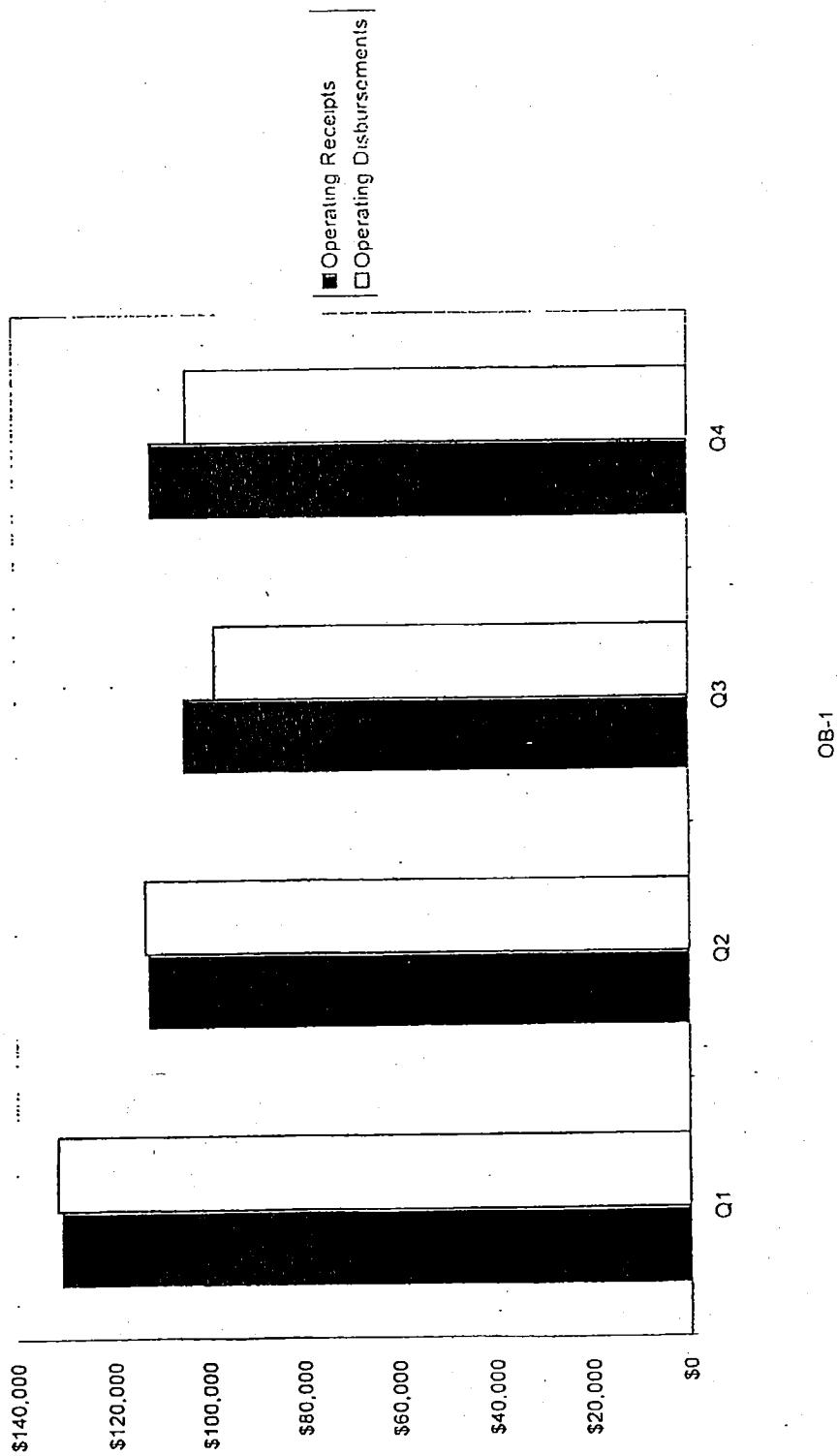
Operating Budget 2000 - Q4

	<i>Consolidated</i>	<i>Infusion</i>	<i>CII</i>	<i>CPS</i>	<i>Net</i>
<i>Net Revenue</i>	\$115,700	\$114,000	\$1,700	\$0	\$0
<i>Drugs &amp; Supplies</i>	51,700	51,700	-	-	-
<i>Clinical Services</i>	26,600	26,600	-	-	-
<i>Clinical Services - D&amp;A</i>	1,300	1,300	-	-	-
<i>Cost of Sales</i>	<u>79,600</u>	<u>79,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Gross Profit</i>	36,100	34,400	1,700	100.0%	
	31.2%	30.2%			
<i>Direct Operating Expenses</i>	14,800	14,300	500		
<i>Direct Operating Expenses - D&amp;A</i>	500	500	-		
<i>Corporate Allocation - D&amp;A</i>	3,500	3,300	200		
<i>Corporate Allocation</i>	8,000	8,000	(0)		
<i>MIP Incentive Plan - @ 85% MBO</i>	1,700	1,600	100		
<i>Operating Expenses</i>	<u>28,500</u>	<u>27,700</u>	<u>800</u>	<u>-</u>	<u>-</u>
<i>Operating Income (Loss), Before Interest</i>	7,600	6,700	900		
<i>Interest Expense</i>	6,000	5,900	100		
<i>Discontinued Operations - Operating Loss</i>	-	-	-		
<i>Other (Income) Expense</i>	-	-	-		
<i>Income (Loss) Before MI &amp; Income Taxes</i>	1,600	800	800		
<i>Minority Interest</i>	-	-	-		
<i>Income Taxes</i>	200	200	-		
<i>Net Income (Loss)</i>	<u>\$1,400</u>	<u>\$600</u>	<u>\$800</u>	<u>\$0</u>	<u>-</u>
<i>EBITDA, with out sale of CPS</i>	\$12,900	\$11,800	\$1,100	\$0	\$0
<i>EBITDA</i>	<u>\$12,900</u>	<u>\$11,800</u>	<u>\$1,100</u>	<u>\$0</u>	<u>\$0</u>

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Coram Healthcare Corporation  
2000 Recurring Operating Cash Flows  
Operating Budget  
(In Thousands)



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**Coram Healthcare Corporation - Consolidated  
Operating Cash Flow Statement  
(In Thousands)**

	For Period Ending (In Thousands)	Q1 1999	Q2 1999	Q3 1999	Actual Oct.	Actual Nov.	Actual Dec.	Q4 1999	1999
<b>Recurring Operating Cash Flows</b>									
Cash Receipts	137,743	155,832	129,662	42,454	42,627	43,683	128,765	552,002	
Cash Disbursements	147,442	152,857	134,150	48,637	36,097	52,205	137,000	571,250	
<b>Total Recurring Operating Cash Flow</b>	<b>(9,699)</b>	<b>3,174</b>	<b>(4,488)</b>	<b>(6,243)</b>	<b>6,530</b>	<b>(8,522)</b>	<b>(8,235)</b>	<b>(19,248)</b>	
<b>Other Cash Flow</b>									
Cash Receipts									
Principal Borrowings	20,000	7,500	0	0	7,000	0	7,000	34,500	
Return of Cash LOC's, Deposits	20,375	200	100	0	0	0	0	675	
<b>Total</b>	<b>7,760</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>7,000</b>	<b>0</b>	<b>7,000</b>	<b>35,175</b>	
Cash Disbursements									
Interest Expense	5,779	2,306	796	324	314	318	956	9,837	
Cognitive Design Acc	140	0	0	0	0	0	0	140	
Homecare Hawaii Acq	0	0	0	0	0	0	0	0	
Principal Payments	5,000	0	0	0	0	0	0	5,000	
<b>Total</b>	<b>10,919</b>	<b>2,306</b>	<b>796</b>	<b>324</b>	<b>314</b>	<b>318</b>	<b>956</b>	<b>19,917</b>	
Total Other Cash Flow									
9,455	5,384	(696)	(324)	6,616	(136)	5,914	20,148		
<b>Total Cash Flow</b>	<b>(243)</b>	<b>8,568</b>	<b>(5,184)</b>	<b>(6,567)</b>	<b>13,216</b>	<b>(8,890)</b>	<b>(2,241)</b>	<b>900</b>	
Beginning Cash	9,346	9,004	17,573	12,488	4,579	17,794	12,488	9,346	
Ending Cash	11,044	17,573	12,188	5,922	17,794	8,906	8,906	8,906	
Increase/(Decrease)	(342)	8,568	(5,085)	(6,566)	13,215	(8,897)	(2,239)	(440)	
Beginning Balance Collateral Account	200	300	300	200	200	200	200	200	
Account Activity	100	-	(100)	-	-	-	-	-	
Ending Balance Collateral Account	300	300	200	200	200	200	200	200	
Revolver Beginning Balance	-	15,000	22,500	37,000	44,000	37,000	44,000	-	
Borrowings/Repayments	15,000	7,500	14,500	-	7,000	-	7,000	44,000	
Revolver Ending Balance	15,000	22,500	37,000	44,000	44,000	44,000	44,000	44,000	
AP Agings - Over 30 Days									
CPS, Base, Corporate	*1	7,257	9,413	12,309	13,849	10,770	10,770		
RNET	*1	12,372	22,004	23,233	25,941	28,195	28,195		
<b>Total</b>	<b>*1</b>	<b>19,629</b>	<b>31,417</b>	<b>35,512</b>	<b>40,790</b>	<b>38,966</b>	<b>38,966</b>		

Note: Excludes CPS/PBM receipts and disbursements  
Nov and Dec exclude Rnet receipts and disbursements  
\*1 = information not available

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Coram Healthcare Corporation - Consolidated  
 1999 Operating Receipts  
 (In Thousands)

For Period Ending	Total Receipts	Q1			Q2			Q3			Oct			Nov			Dec			Q4			Total 1999		
		137,743	155,832	129,662	42,454	42,627	43,683	128,765	552,002	77,858															
INFUSION	94,668	105,368	103,764	34,801	37,272	36,873	108,945	412,745	371,635																
CPS w/o PBM	10,322	13,148	13,625	4,302	4,796	5,008	14,105	51,199	30,516																
RNET	9,837	12,075	7,378	2,317	-	-	2,317	31,607	47,656																
AETNA	20,120	21,230	-	-	-	-	-	41,350	37,000																
CLINICAL RESEARCH	76	43	369	195	98	157	450	939	939																
OTHER	2,720	3,968	4,526	840	462	1,645	2,948	14,162	14,162																

Note: Excludes CPS, PBM receipts  
 Nov and Dec exclude Rnet Receipts

COR.-EQTY0002775

**Coram Healthcare Corporation - Consolidated  
1999 Operating Disbursements  
(In Thousands)**

	Q1	Q2	Q3	Oct	Nov	Dec	Q4	Total 1999
<b>For Period Ending Total Operating Disbursements</b>	<b><u>147,442</u></b>	<b><u>152,657</u></b>	<b><u>134,150</u></b>	<b><u>48,697</u></b>	<b><u>36,097</u></b>	<b><u>52,205</u></b>	<b><u>137,000</u></b>	<b><u>571,250</u></b>
<b>Drugs &amp; Supplies</b>	<b>72,821</b>	<b>77,054</b>	<b>59,617</b>	<b>26,986</b>	<b>14,736</b>	<b>24,355</b>	<b>66,077</b>	<b>275,568</b>
PP&E Other Non P.O. (Includes CPS non Cardinal Drugs)	3,100	1,897	1,707	358	340	698	7,402	
<b>Total Non P.O.</b>	<b>26,410</b>	<b>31,409</b>	<b>31,543</b>	<b>7,956</b>	<b>7,989</b>	<b>13,435</b>	<b>29,380</b>	<b>118,742</b>
	<b>29,510</b>	<b>33,306</b>	<b>33,250</b>	<b>8,314</b>	<b>8,329</b>	<b>13,435</b>	<b>30,078</b>	<b>126,144</b>
Payroll	40,910	37,562	36,897	12,165	10,959	13,426	36,550	151,918
Cigna	1,906	1,883	1,866	641	880	599	2,120	7,775
401K	1,589	1,935	1,449	465	678	208	1,351	6,324
401K-Match	457	483	592		450		450	1,983
<b>Total PIR &amp; Related</b>	<b>44,863</b>	<b>41,862</b>	<b>40,805</b>	<b>13,270</b>	<b>12,918</b>	<b>14,731</b>	<b>40,471</b>	<b>168,000</b>
Total Settlements & Other	19	268	319	34	34	109	178	784
Total Earmouts & Canada	135	75	75	63		47	110	396
<b>Total Operational Banking</b>	<b>93</b>	<b>92</b>	<b>85</b>	<b>29</b>	<b>31</b>	<b>27</b>	<b>87</b>	<b>358</b>
	<b>147,442</b>	<b>152,657</b>	<b>134,150</b>	<b>48,697</b>	<b>36,097</b>	<b>52,205</b>	<b>137,000</b>	<b>571,250</b>

**Non-Operating Disbursements**

Term Facility Interest	221	548	796	324	314	318	956	2,522
Series A&B Interest	5,555	1,758	-	-	-	-	-	7,313
<b>Total Debt Recurring</b>	<b>5,776</b>	<b>2,306</b>	<b>796</b>	<b>324</b>	<b>314</b>	<b>318</b>	<b>956</b>	<b>9,835</b>
Collateral	100	-	-	-	-	-	-	100
<b>Principal Payments</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>

Note: Excludes CPS, PBM disbursements

Nov and Dec exclude Rnet disbursements

Dec Payroll includes impound for 1st Payroll in Jan '00 as transmitted early due to Y2K concerns

COR-EQTY0002776

**Coram Healthcare Corporation - Consolidated**  
**Operating Cash Flow Statement**  
 (In Thousands)

	Q1 1998	Q2 1998	Q3 1998	Q4 1998	YTD 1998
<b>For Period Ending</b>					
(In Thousands)					
<b>Recurring Operating Cash Flows</b>					
Cash Receipts	104,826	111,489	131,959	141,296	489,571
Cash Disbursements	112,641	116,613	127,707	139,201	496,162
<b>Total Recurring Operating Cash Flow</b>	<b>(7,815)</b>	<b>(5,123)</b>	<b>4,253</b>	<b>2,095</b>	<b>(6,591)</b>
Other Cash Flow					
Cash Receipts	0	0	30	70	100
Sale of CHT Interest	0	0	750	0	750
Sale of Healthcare At Home	0	0	7,450	0	7,450
Return of Cash LOC's,Deposits	0	0	23,250	12,000	35,250
Principal Borrowings	0	0	31,480	12,070	43,550
Cash Disbursements					
Interest Expense	791	0	1,923	5,786	8,500
Debt Restructure - Warrant Premiums & fees	0	0	4,950	0	4,950
Litho Sale	0	0	180	0	180
Homecare Hawaii Acq	530	0	0	0	530
Healthquest Acq	0	1,500	1,000	0	2,500
Principal Payments	80,000	0	14,000	21,250	115,250
Total	81,321	1,500	22,053	27,036	131,910
<b>Total Other Cash Flow</b>	<b>(81,321)</b>	<b>(1,500)</b>	<b>9,427</b>	<b>(14,966)</b>	<b>(88,360)</b>
<b>Total Cash Flow</b>	<b>(89,137)</b>	<b>(6,623)</b>	<b>13,680</b>	<b>(12,871)</b>	<b>(94,951)</b>
Beginning Cash					
Ending Cash	104,297	15,164	8,525	22,217	104,297
Increase/(Decrease)	15,164 (89,137)	8,525 (6,623)	22,217 (13,680)	9,346 (12,871)	9,346 (94,951)
Beginning Balance Collateral Account					
Account Activity	3,799	4,049	7,049	250	3,799
Ending Balance Collateral Account	250 4,049	3,000 7,049	(6,799) 250	(50) 200	(3,599) 200
Revolver Beginning Balance					
Borrowings/Repayments	-	-	-	9,250	-
Revolver Ending Balance	-	-	-	9,250 0	0

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**Coram Healthcare Corporation - Consolidated  
Operating Cash Flow Statement  
(In Thousands)**

For Period Ending (In Thousands)	Recurring Operating Cash Flows				1997 YTD
	Q1 1997	Q2 1997	Q3 1997	Q4 1997	
Cash Receipts	121,302	123,793	116,067	110,587	471,748
Cash Disbursements	115,840	115,064	115,362	108,718	454,984
<b>Total Recurring Operating Cash Flow</b>	<b>5,462</b>	<b>8,728</b>	<b>705</b>	<b>1,869</b>	<b>16,764</b>
Other Cash Flow					
Cash Receipts	0	0	0	126,600	126,600
Lithotripsy Division Sale	0	15,000	0	0	15,000
IHS Termination Fee	0	0	41,400	0	41,400
Caremark Settlement	0	0	0	0	0
Principal Borrowings	0	15,000	41,400	126,600	183,000
Total	0	15,000	41,400	126,600	183,000
Cash Disbursements	3,267	7,106	3,191	2,306	15,870
Interest Expense	0	22,700	20,000	35,000	77,700
Principal Payments	3,267	29,806	23,191	37,306	93,570
Total Other Cash Flow	(3,267)	(14,806)	18,209	89,294	89,430
<b>Total Cash Flow</b>	<b>2,195</b>	<b>(6,078)</b>	<b>18,914</b>	<b>91,163</b>	<b>106,194</b>
Beginning Cash	(1,897)	298	(5,780)	13,135	(1,897)
Ending Cash	298	(5,780)	13,135	104,297	104,297
Increase/(Decrease)	2,195	(6,078)	18,914	91,163	105,194
Revolver Beginning Balance	77,700	77,700	55,000	35,000	77,700
Borrowings/Repayments	0	(22,700)	(20,000)	(35,000)	(77,700)
Revolver Ending Balance	77,700	55,000	35,000	0	0

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**Coram Healthcare Corporation - Consolidated  
Operating Cash Flow Statement  
(In Thousands)**

For Period Ending (In Thousands)	January 2000
<b>Recurring Operating Cash Flows</b>	
Cash Receipts	39,215
Cash Disbursements	<u>36,988</u>
<b>Total Recurring Operating Cash Flow</b>	<b>2,228</b>
Other Cash Flow	
Cash Receipts	1,500
Principal Borrowings	28
Interest/Misc	<u>1,528</u>
Total	<u>1,528</u>
Cash Disbursements	400
Interest Expense	3,000
Principal Payments	<u>3,400</u>
Total	<u>(1,872)</u>
<b>Total Other Cash Flow</b>	<b><u>356</u></b>
<b>Total Cash Flow</b>	<b><u>356</u></b>
Beginning Cash	8,906
Ending Cash	9,263
Increase/(Decrease)	356
Beginning Balance Collateral Account	200
Account Activity	-
Ending Balance Collateral Account	200
Revolver Beginning Balance	44,000
Borrowings/Repayments	(1,500)
Revolver Ending Balance	42,500

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COR.-EQTY0002779

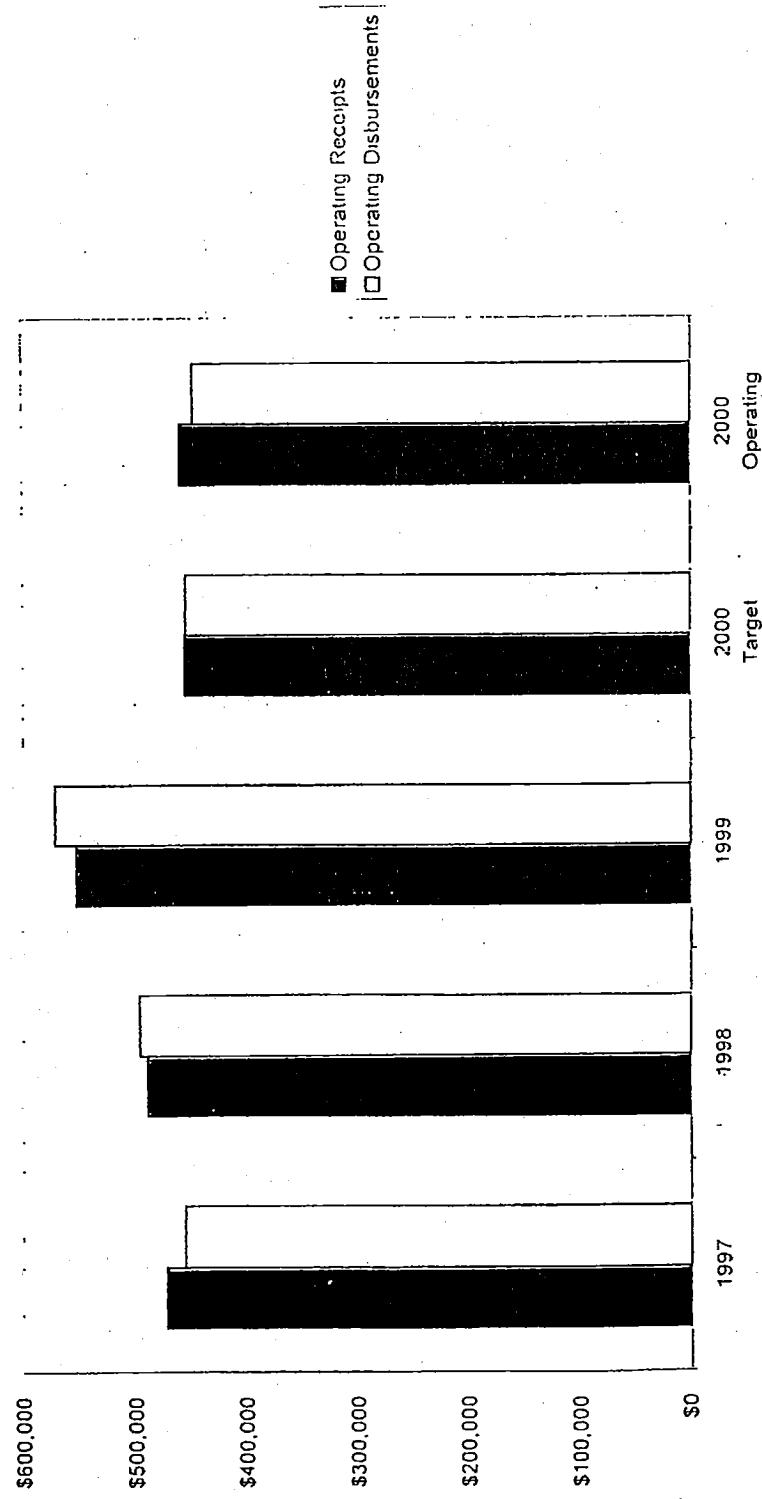
**Coram Healthcare Corporation**  
**Disbursement Analysis**  
**(In Thousands)**

For Period Ending	January 2000
<b>Total Disbursements</b>	<b><u>40,388</u></b>
Drugs & Supplies	10,329
Cardinal - Wires	8,688
<b>Sub-Total Drugs &amp; Supplies</b>	<b><u>19,017</u></b>
Non-Purchase Orders	9,004
P-Card	71
Postage by Phone	30
<b>Sub-Total Non P.O.</b>	<b><u>9,105</u></b>
Payroll	7,391
Cigna	735
401K	691
<b>Sub-Total P/R &amp; Related</b>	<b><u>8,818</u></b>
Earnout	20
Canada Funding	20
<b>Sub-Total Asset Investments</b>	<b><u>20</u></b>
Banking Fees	19
Merchant Fees	9
<b>Sub-Total Operational Banking</b>	<b><u>29</u></b>
Term Facility Interest	400
<b>Sub-Total Debt Recurring</b>	<b><u>400</u></b>
<b>Principal Payments</b>	<b><u>3,000</u></b>
<b>Total</b>	<b><u>40,388</u></b>

Project 7

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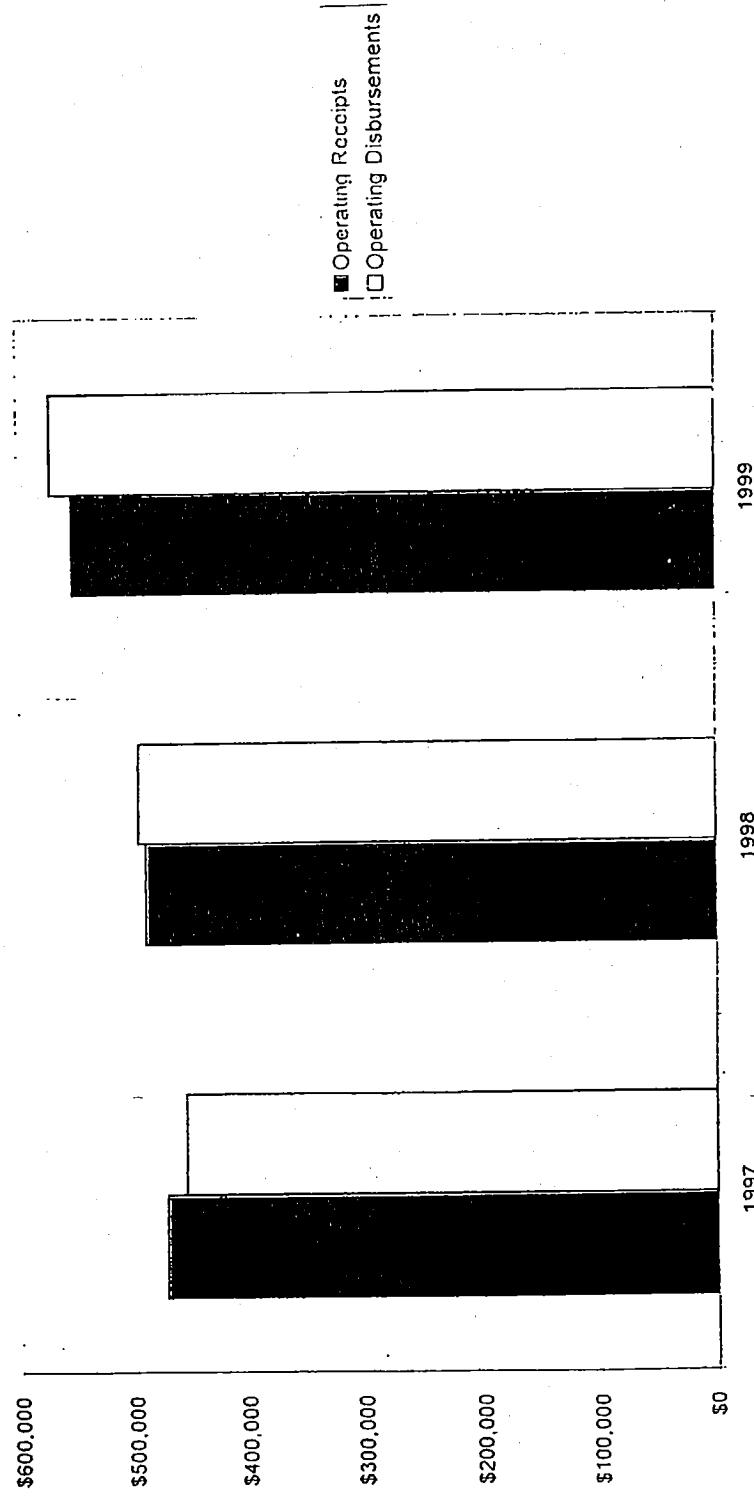
Coram Healthcare Corporation  
Recurring Operating Cash Flows  
Annual Summaries  
(In Thousands)



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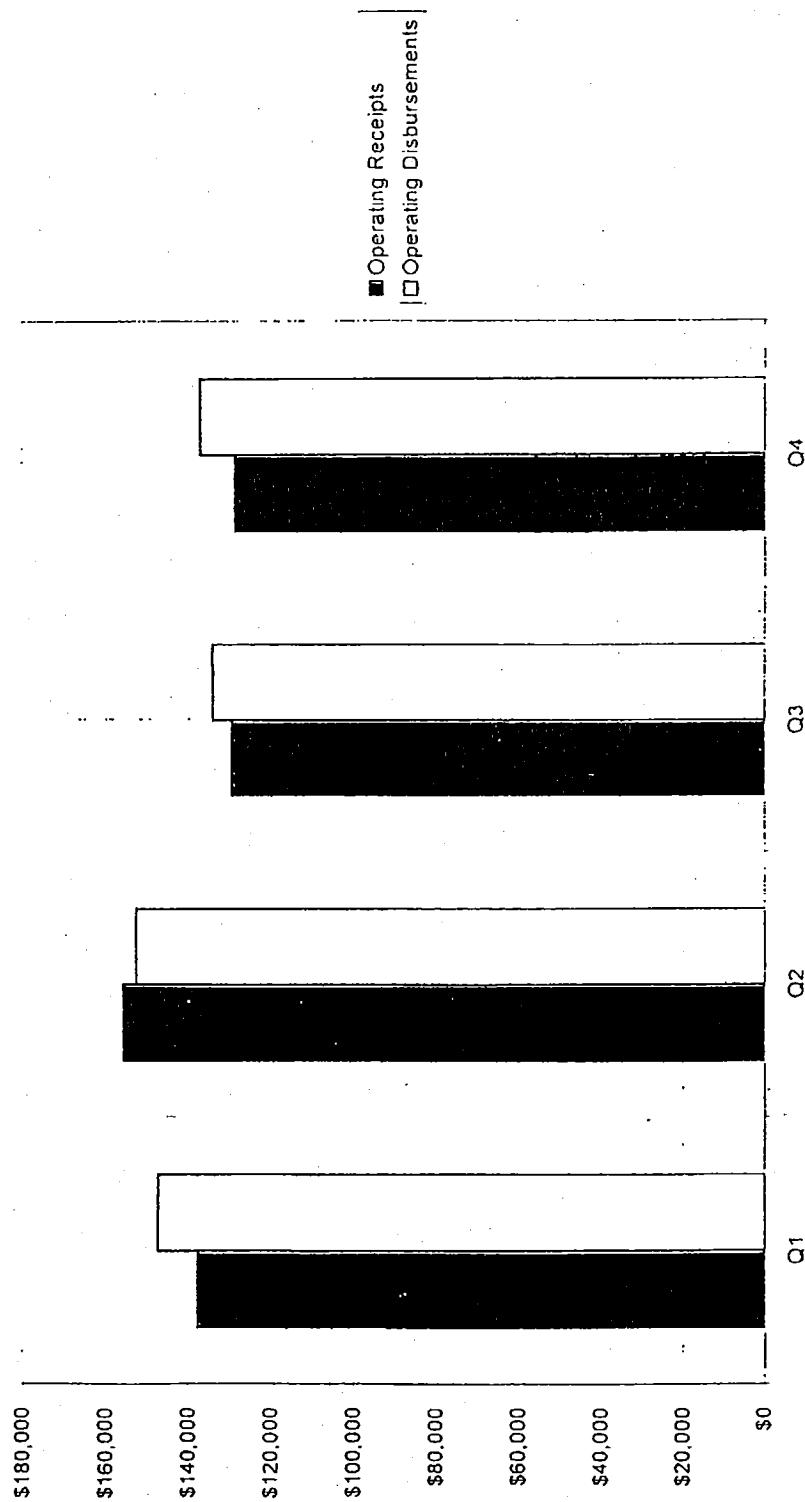
Coram Healthcare Corporation  
Recurring Operating Cash Flows  
Annual Summaries  
(In Thousands)



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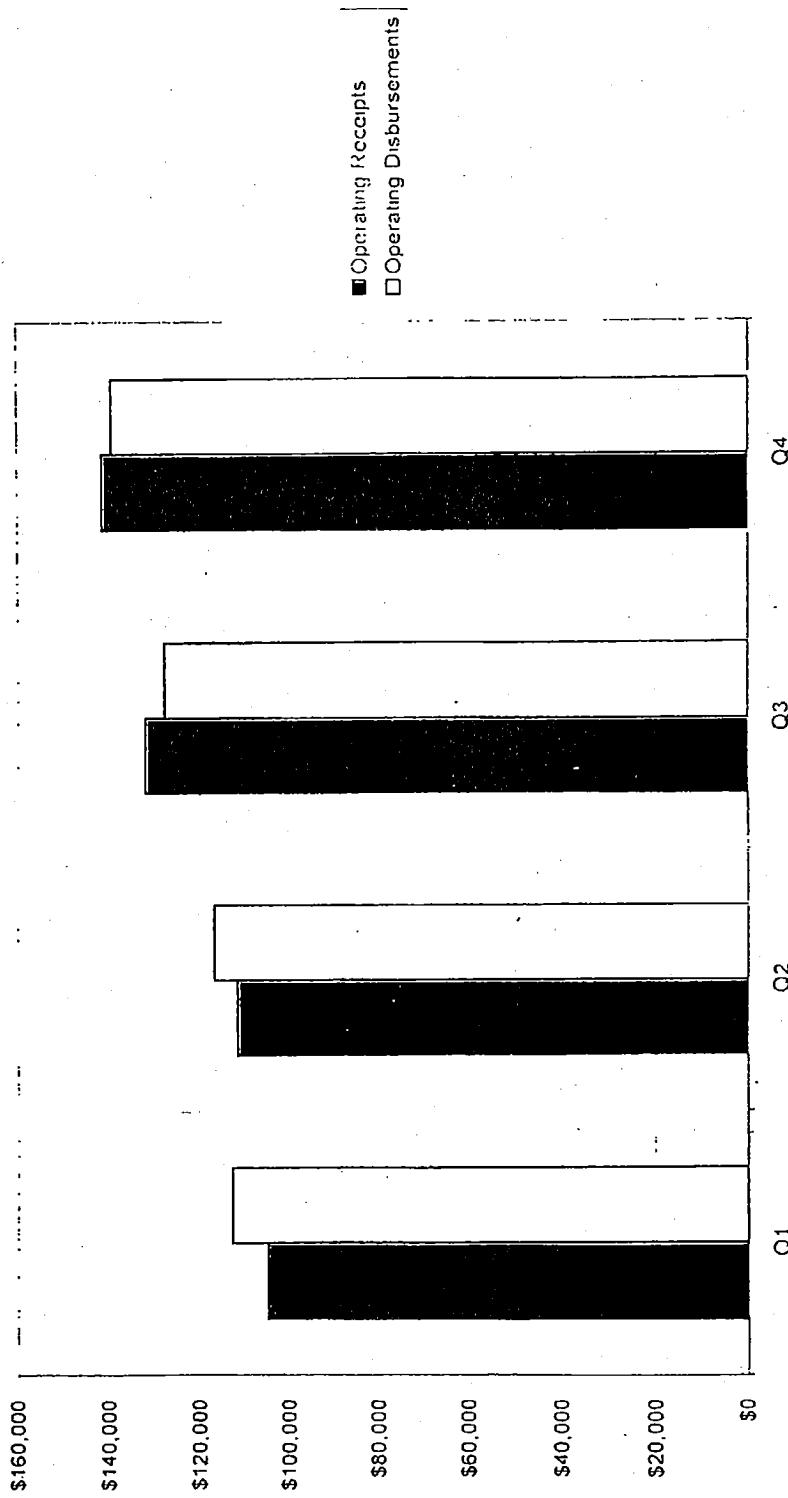
COR-EQTY0002782

Coram Healthcare Corporation  
1999 Recurring Operating Cash Flows  
(In Thousands)



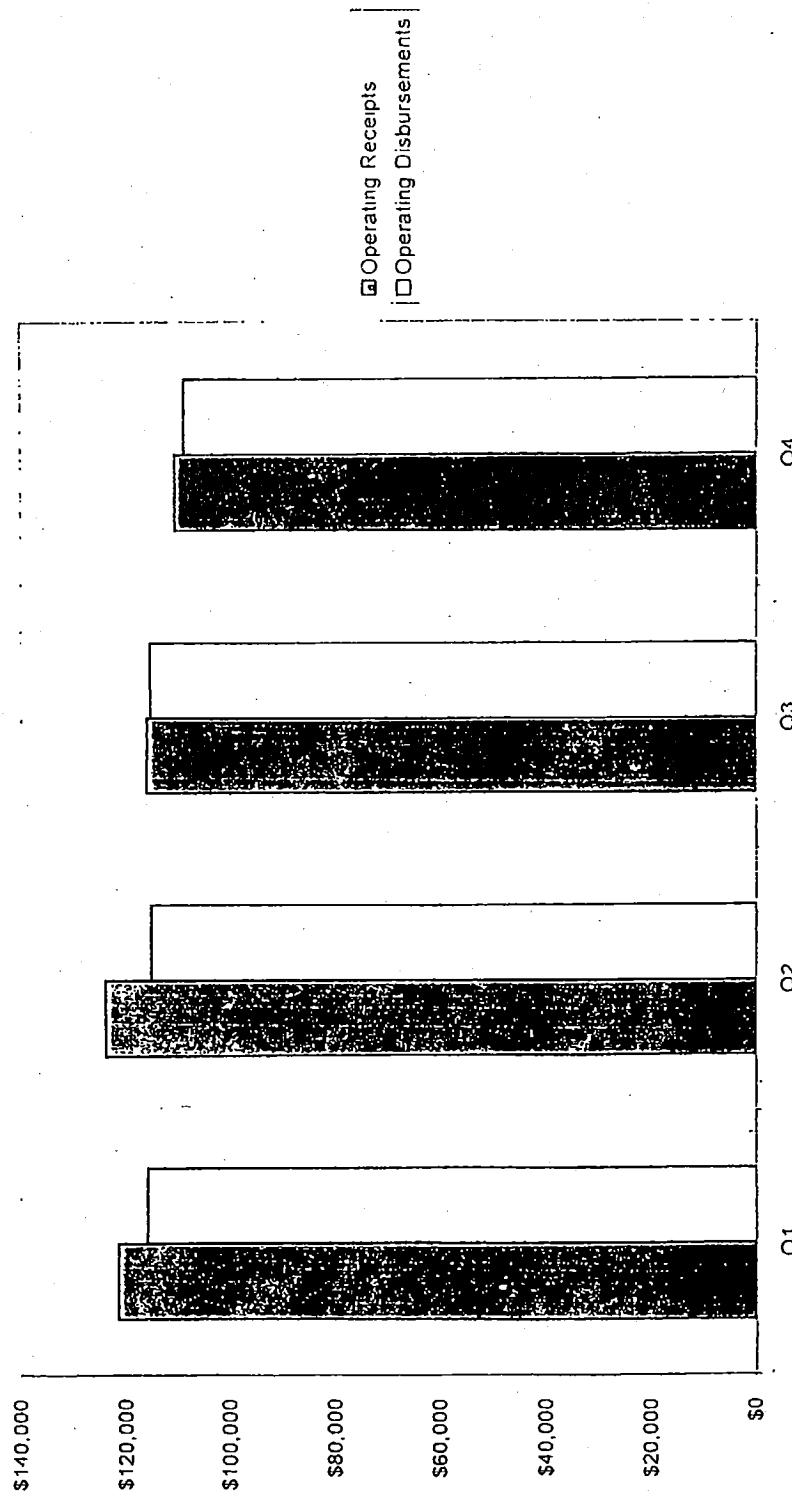
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**Coram Healthcare Corporation**  
**1998 Recurring Operating Cash Flows**  
(In Thousands)



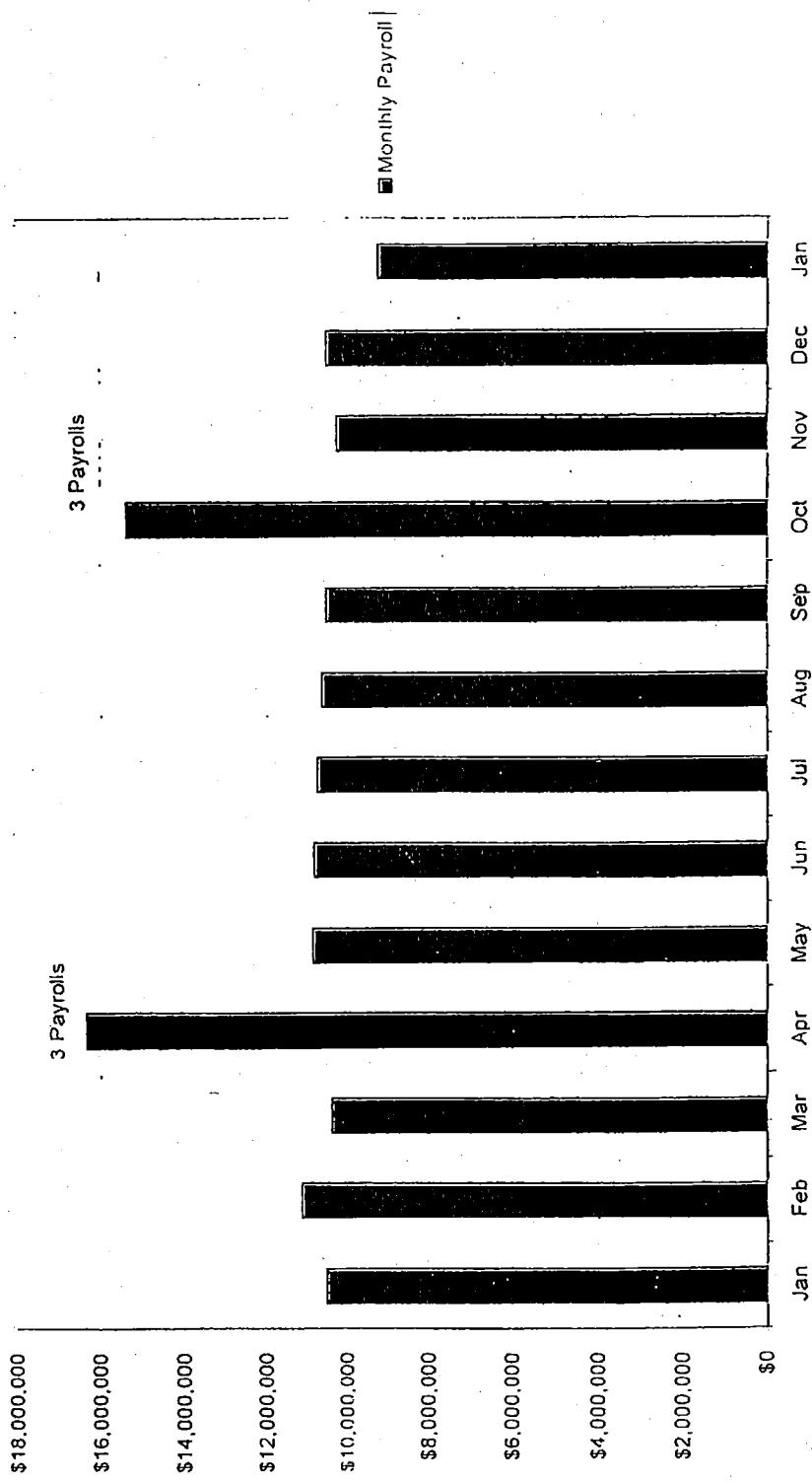
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Coram Healthcare Corporation  
1997 Recurring Operating Cash Flows  
(In Thousands)



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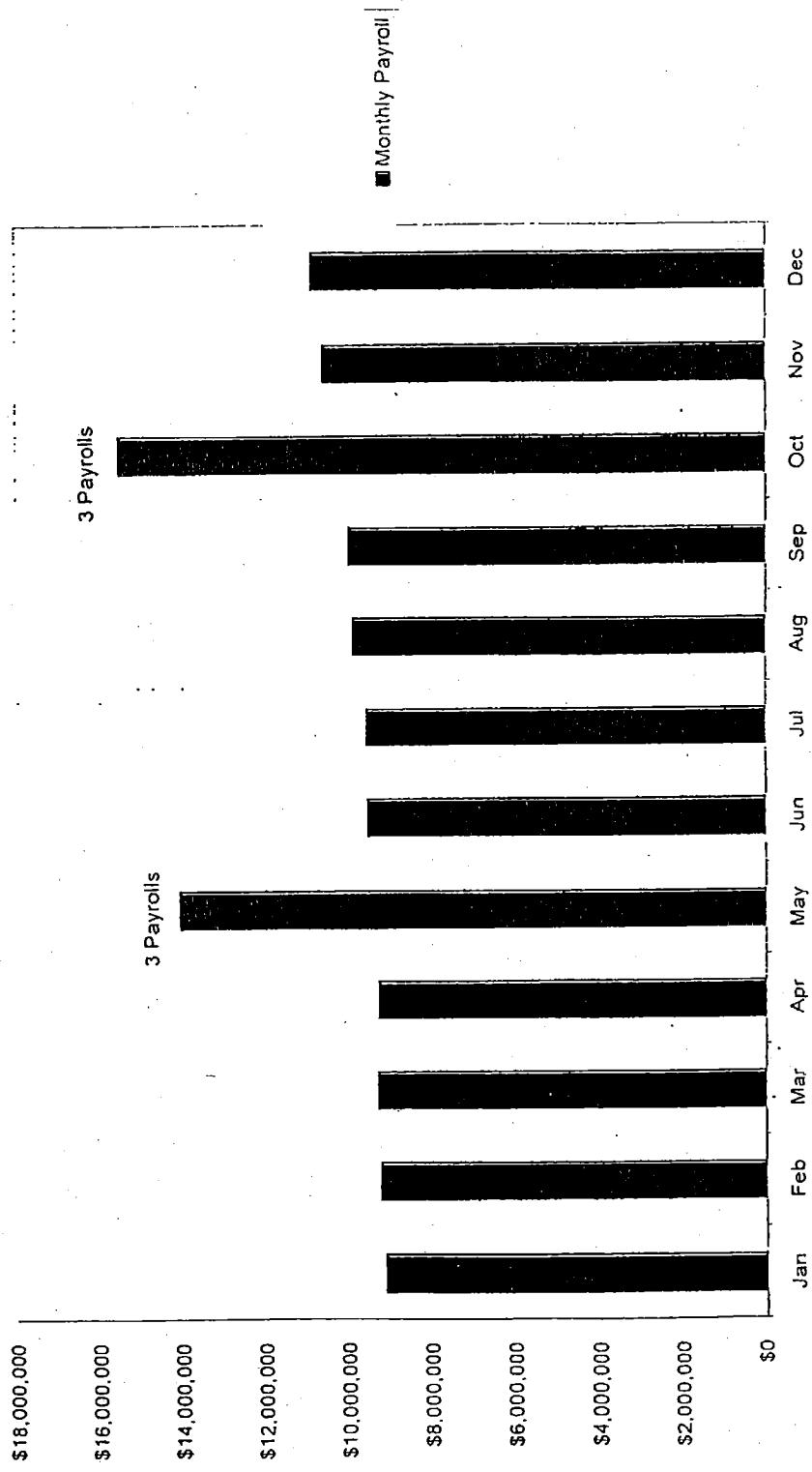
Coram Healthcare Corporation  
1999 & January 2000 Cash Payroll by Month



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COR-EQTY0002786

Coram Healthcare Corporation  
1998 Cash Payroll by Month



COR-EQTY0002787

Cash Coverage

**COR..EQTY0002788**

**CORAM HEALTHCARE CORPORATION**  
**CASH TO COVER INTEREST PAYMENTS**

	<i>Board Target Budget</i>	<i>Operating Budget</i>	<i>Projected Fiscal 2001</i>
Operating Cash Flow	\$ 20,305,000	\$ 25,900,000	\$ 25,900,000
Other disbursements, includes legal fees	(4,657,000)	(1)	(1)
Net Operating Cash flow	15,648,000	25,900,000	25,900,000
Capital Expenditures	(3,969,000)	(3,200,000)	(3,200,000)
Restructure payments	(10,034,000)	(10,000,000)	(10,000,000)
Tax payments and other	(817,000)	(300,000)	(300,000)
Net cash available for interest	828,000	12,400,000	22,400,000
Cash interest expense	(15,998,000)	(13,500,000)	(27,850,000)
Cash shortfall	\$ (15,170,000)	\$ (1,100,000)	\$ (5,450,000)

Debt Balances, with \$40 million payoff on the Series B 2nd Quarter:

Series A	\$ 168,423,372
Series B	52,084,099
Senior	44,000,000
<b>Total</b>	<b>\$ 264,507,471</b>

(1) Other expenses listed separately in the Board budget were primarily bonuses and legal fees. These costs are included in the operating expenses line for the Operating budget

(2) Cash interest is different because the Board budget assumed the interest that was due January 15th would be paid in cash and it was paid as PIK.

2/12/00

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A/R & A/P

COR.-EQTY0002790

**CORAM HEALTHCARE CORPORATION**  
Summary of Selected Financial Information

	Q1-98	Q2-98	Q3-98	Q4-98	1998	Q1-99	Q2-99	Q3-99	Q4-99	Unaudited 1999
<b>Accounts Receivable</b>										
DSO Net A/R (less Accts Cap)	73	73	76	73	73	82	78	81	82	82 (1)
A/R Net of Allowance (in thousands)	\$ 86,496	\$ 93,429	\$ 103,879	\$ 113,697	\$ 113,697	\$ 129,896	\$ 120,106	\$ 126,232	\$ 110,245	\$ 110,245
Bldg Debt Rescrva (in thousands)	\$ 17,039	\$ 17,713	\$ 17,154	\$ 18,128	\$ 18,128	\$ 19,178	\$ 16,254	\$ 21,377	\$ 32,129	\$ 32,129
<b>Accounts Payable (In thousands)</b>										
A/P, vendors	\$ 30,330	\$ 25,633	\$ 22,510	\$ 52,930	\$ 52,930	\$ 58,398	\$ 72,356	\$ 55,628	\$ 67,375	\$ 67,375
Cardinal Deposit						\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ (3,500)
Net A/P	\$ 30,330	\$ 25,633	\$ 19,010	\$ 49,430	\$ 49,430	\$ 54,898	\$ 68,856	\$ 52,128	\$ 61,875	\$ 61,875

A/P Aging - Over 30 Days	
CPS	Base, Corporate
RNET	
Total	

## Notes

(1) DSO Including RNET reservs is 76, including RNET and other special reserves is 72  
 (2) Information not available

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Coram Healthcare Corporation  
Stark II Compliance

Proprietary and Confidential

<u>Preliminary December 31, 1999 Analysis</u>	
<u>1999</u>	<u>@ Feb 10 Prelim</u>
<u>Quarterly Average Equity Test:</u>	
Average Equity with 99 at \$(112.7) net loss	<u>\$ 76,119</u>
Minimum Equity	<u>\$ 75,001</u>
Over (Under)	<u>\$ 1,118</u>

<u>Projected December 31, 2000 Analysis</u>	
<u>Year End Equity Test:</u>	
December 31, 2000 Estimated Stockholder Equity	<u>\$ (5,894)</u>
Minimum Equity	<u>\$ 75,001</u>
Over (Under)	<u>\$ (80,895)</u>

## Coram's Estimated 3 Year Quarterly Equity Average

<u>Coram's Estimated 3 Year Quarterly Equity Average</u>	
<u>Cumulative Quarterly Equity, 1997 - 1999</u>	<u>\$ 913,428</u>
<u>Divided by 12 Quarters</u>	<u>12</u>
<u>Coram's Estimated 3 Year Average, Quarterly Equity</u>	<u>\$ 76,119</u>

<u>Stockholder Equity, Quarterly Totals</u>						
<u>Totals</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>			
Mar	\$ 170,044	\$ (30,538)	\$ 106,086	\$ 92,496		
Jun	\$ 274,776	\$ 129,133	\$ 91,001	\$ 54,642		
Sep	\$ 270,319	\$ 138,784	\$ 91,978	\$ 39,557		
Dec	\$ 198,289	\$ 125,026	\$ 92,887	\$ (19,594)	prelim	
<u>Totals</u>	<u>\$ 913,428</u>	<u>\$ 362,405</u>	<u>\$ 383,922</u>	<u>\$ 167,101</u>		

Note: Two Annual Averages, Monthly Average and Quarterly Average Totals are not math with the applicable years for the averages being '98, preliminary '99 and Budget '00.  
The Year End Test is the only applicable test for 2000.

Note: Stockholder Equity Balances agree to Form 100's and 10K's  
through September 30, 1999.

COR-EQTY0002793

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**Coram Healthcare Corporation - Consolidated  
Comparative Historical Operating Results  
1997 and 1998, 1999e & Budget 2000**

	<u>1997</u>	<u>1998</u>	<u>Preliminary 1999 (Unaudited)</u>	<u>Target Budget 2000</u>	<u>Operational Budget 2000</u>
<b>RESULTS OF OPERATIONS</b>					
Net Revenue	\$ 473,141	\$ 526,516	\$ 598,479	\$ 453,200	\$ 469,700
Cost of Sales	<u>337,537</u>	<u>394,532</u>	<u>495,347</u>	<u>348,800</u>	<u>336,600</u>
Gross Profit	135,604	131,984	103,132	104,400	133,100
% to Net Revenue	28.7%	25.1%	17.2%	23.0%	28.3%
Operating Expenses (see comments)	<u>122,962</u>	<u>119,153</u>	<u>166,248</u>	<u>110,200</u>	<u>118,600</u>
Operating Income (Loss)	\$ 12,642	\$ 12,831	\$ (63,116)	\$ (5,800)	\$ 14,500
Income (Loss) before Minority Interest & Taxes	<u>\$ 140,093</u>	<u>\$ (17,996)</u>	<u>\$ (110,810)</u>	<u>\$ 15,000</u>	<u>\$ 15,300</u>
Net Income (Loss)	<u>\$ 125,260</u>	<u>\$ (21,695)</u>	<u>\$ (112,720)</u>	<u>\$ 13,700</u>	<u>\$ 14,500</u>
Net Income (Loss), without settlements & business sales	<u>\$ (73,458)</u>	<u>\$ (22,766)</u>	<u>\$ (112,720)</u>	<u>\$ (31,300)</u>	<u>\$ (10,500)</u>
NOTE: 1999 does not include restatement of Revenue, COS, Operating Expenses & Operating Income for discontinued operations of RNET.					
EBITDA	<u>\$ 233,590</u>	<u>\$ 35,780</u>	<u>\$ (44,300)</u>	<u>\$ 59,000</u>	<u>\$ 60,000</u>
EBITDA without settlements & business sales	<u>\$ 34,972</u>	<u>\$ 34,709</u>	<u>\$ (44,300)</u>	<u>\$ 14,000</u>	<u>\$ 35,000</u>
<b>CASH ACTIVITY</b>					
Cash Receipts (see comments)	\$ 471,748	\$ 489,571	\$ 552,002	\$ 455,000	\$ 459,800
Cash Disbursements	<u>(454,984)</u>	<u>(496,162)</u>	<u>(571,250)</u>	<u>(454,200)</u>	<u>(447,400)</u>
Cash from Operations	<u>16,764</u>	<u>(6,591)</u>	<u>(19,248)</u>	<u>800</u>	<u>12,400</u>
Interest Payments	(15,870)	(8,500)	(9,837)	(16,000)	(13,500)
Debt and Credit Facility Activity, net	(77,700)	(80,000)	29,500	(60,000)	(41,500)
Increase (Decrease) in Cash Before Other Cash, Net	<u>\$ (76,806)</u>	<u>\$ (95,091)</u>	<u>\$ 415</u>	<u>\$ (75,200)</u>	<u>\$ (42,600)</u>
Other Cash, Net (settlements, business sales, etc.)	<u>183,000</u>	<u>140</u>	<u>485</u>	<u>65,000</u>	<u>40,000</u>
Total Increase (Decrease) in Cash	<u>\$ 106,194</u>	<u>\$ (94,951)</u>	<u>\$ 900</u>	<u>\$ (10,200)</u>	<u>\$ (2,600)</u>

2/12/00; 12:21 PM; Exec Summary

1/2

COR-EQTY0002795

**Coram Healthcare Corporation - Consolidated  
Comparative Historical Operating Results  
1997 and 1998, 1999 & Budget 2000**

		<u>Preliminary 1999 (Unaudited)</u>	<u>Target Budget 2000</u>	<u>Operational Budget 2000</u>
	<u>1997</u>	<u>1998</u>		
<b>COMMENTS</b>				
(a) 1997 Operating Expenses exclude Income from litigation settlement.				
(b) Other Income (Expense):				
Income from litigation settlement	\$ 156,792 @	\$ 1,071 @	\$ 45,000 @	\$ 25,000 @
Gains on sale of businesses	26,744 @			
Termination fee	15,182 @			
Interest Expense	(75,026)	(32,734)	(29,633)	(23,700)
Losses attributable to discontinued operations / Q4 '99				(500)
Other, net	3,759	836	(18,061)	
Total Other Income (Expense)	<u>\$ 127,451</u>	<u>\$ (30,827)</u>	<u>\$ (47,694)</u>	<u>\$ 800</u>
Settlements & business sales adjustments to EBITDA	<u>\$ 198,718 @</u>	<u>\$ 1,071 @</u>	<u>\$ 45,000 @</u>	<u>\$ 25,000 @</u>
(c) Cash Activity:				
1) Other Cash, Net (settlements, business sales, etc.)				
Litho Sale - includes \$820k in '98 from IH S stock	\$ 126,600	\$ (180)	\$ -	\$ -
Caremark Settlement	41,400			
IHS Termination Fee	15,000			
CHT Sale		100		
Healthcare At Home Sale (England)		750		
Prior period cash returns of LOC's, deposits, etc.		7,450		
Debt restructure - warrant payments & fees		(4,950)		
HealthQuest Acquisition		(2,500)		
Homecare Hawaii Acquisition		(530)		
Cognitive Design Acquisition		(140)		
Sale of CPS, net of fees				
	<u>\$ 183,000</u>	<u>\$ 140</u>	<u>\$ 485</u>	<u>\$ 40,000</u>

2) Debt and Credit Facility activity for 1999 excludes non-cash activity due to Aetna's draw against the RNET letters of credit of \$14.5 million.

3) '00 Target Budget paydown on the Series B \$60 million. Operation Budget paydown on the Series B \$40 million.

2/2

COR.-EQTY0002796

FAX 33-2000 TEL 804-770-0000 800-800-8000 800-800-8000

1-800-800-8000

Dennis Burton  
President

March 3, 2000

## STRICTLY PRIVATE AND CONFIDENTIAL

Coram Healthcare Corporation  
c/o Deutsche Banc Alex. Brown  
One South Street  
Baltimore, Maryland 21202  
Attention: Joseph Githner  
Christina T. Morrison

EXHIBIT

*Morrison 11*  
CW 3/26/07

Ladies and Gentlemen:

ProCare Pharmacy, Inc. ("CVS ProCare"), a subsidiary of CVS Corporation, is pleased to submit its offer to acquire the assets of Coram Prescription Services (the "Company").

Based upon and consistent with the terms and conditions contained in the attached Asset Purchase Agreement, which has been marked to reflect our proposed changes (the "Revised Agreement"), we are prepared to pay thirty four million five hundred thousand dollars (\$34,500,000.00) in cash at closing for the Company's assets. This purchase price represents the sum of three components: our determination of the Company's basic asset value (including premium), inventory value as of the December 31, 1999 unaudited balance sheet, and accounts receivable value as of the Accounts Receivable Aging Report dated February 25, 2000 and based upon other information provided us. As you will see in the Revised Agreement, our determination of the Company's inventory value and accounts receivable value may differ at the closing based on changes which occur in the Company's business.

Our proposed purchase price also assumes that the Company will reach an agreement with Johns Hopkins whereby the Company's lease of retail pharmacy space, and its specialty pharmacy and pharmacy benefit management agreements with John Hopkins will be extended to at least June 30, 2002 on terms reasonably satisfactory to us, which terms must include PBM pricing sufficient to maintain break-even profitability while the pharmacy maintains the same reimbursement levels on a fee-for-service basis. The Revised Agreement will need to include a purchase price adjustment mechanism to be negotiated if these conditions are not satisfied prior to closing.

We are prepared to enter into a definitive agreement with terms substantially consistent with those set out in this letter and the Revised Agreement. We understand additional modifications will be necessary to the Revised Agreement, and we stand ready to negotiate these terms upon your acceptance of this offer.

CROWLEY 0098

One CVS Drive • Woonsocket, RI 02895 • Tel. (401) 770-2090 • Fax (401) 765-7803

10017657007

DRAFT 07

Coram Healthcare Corporation  
c/o Deutsche Banc Alex Brown  
March 3, 2000  
Page 2

Also enclosed are revised versions of the Transitional Services Agreement and the Marketing Services Agreement [as well as a draft proposal of the allocation of purchase price which can be discussed further with your tax department if CVS ProCare's offer is accepted.]

Our offer is not contingent on financing, and we will complete this proposed transaction using cash or funds available under existing credit lines.

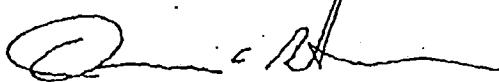
Approval of CVS ProCare's Board of Directors will be required before entering into a definitive agreement. Obviously, we will also need to obtain certain governmental approvals (including expiration of applicable waiting periods under Hart-Scott-Rodino), licenses and permits in order to consummate the transaction. However, we are very familiar with this process and do not anticipate any unusual complications. The Revised Agreement includes other conditions to closing.

We believe we have completed most of our due diligence exercise. Limited additional due diligence will be required before signing the Revised Agreement, mostly confirmatory in nature and mainly focusing on review of the Company's accounts receivable, documents and other information which has not yet been provided by the Company. We expect the additional due diligence will be completed by March 10, 2000.

In consideration of the time and resources that we will devote to the transaction contemplated hereby, and if our offer is accepted, we will expect to be granted a customary exclusivity period to complete the transaction. We will consider our offer withdrawn in the event that you disclose our offer or any other information regarding our interest in the Company to any other party.

We are prepared to devote our full resources and energy to completing this transaction on an expeditious basis. Please do not hesitate to contact me or any of the parties listed below with any questions or comments regarding CVS ProCare's proposal to acquire the assets of the Company. We look forward to hearing from you.

Sincerely,



Dennis Burton

CROWLEY 0099

PRV\_Goliath Cvr Ltr.DOC/GRHAM